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## (G) Related Costs

An amount per client per day will be paid for other program costs, including program related supplies, consultants and other items necessary for the delivery of active treatment to clients in accordance with their individual program plans.

04/98

For each facility, this amount will be determined as follows. Add the amount determined under subsection III.C.4.b.ii.(A) and (B), but exclude the amount for the IDT. Multiply this sum by the factor determined for the facility's geographic area grouping. The product plus the amount for the IDT is then multiplied by the constant of .20.

05/97

An amount will also be paid for dental services which are in compliance with HCFA's regulation (42 CFR 483.460(e), (f) and (g)), for each client age 21 or more. This amount will be determined by adding the flat per diem of \$.40 to the amount calculated according to this section. This per diem will cover the costs of prophylaxis treatment up to once every six months, and periodontal services as needed for each eligible client.

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~~Total Program Per Diem - Total program per diem for each small scale residential facility will be the sum of the amounts from subsections III.C.4.b.i.(A), (B), and (D).~~

==01/00

(H) Base Nursing

Notwithstanding the provisions set forth for maintaining rates at the levels in effect on January 18, 1994, the following reimbursement for base nursing in facilities licensed as ICF/MR 16s, including small scale residential facilities (4 and 6 bed) ICF/MR 16s applies:

Base nursing in ICF/MR 16s staffing and reimbursement recognizes the need for adults with developmental disabilities to have regular health care supports.

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Base nursing provides for licensed practical nurse services and/or registered professional nurse services and supervision.

The addition of base nursing provides for nursing assessments, development and updating of nursing care plans, health risk identification and planning, Tardive Dyskinesia (TD) screening, coordination and implementation of medical services, monitoring of medication effectiveness and side effects, and annual flu immunization.

An amount will be paid for base nursing for nursing assessments, development and updating of nursing care plans, health risk identification and planning, TD screening, coordination and implementation of medical services, monitoring of medication effectiveness and side effects, and annual flu immunization in ICF/MR 16s. A flat per diem of \$.57 provides for 12 hours of licensed practical nurse time per person, per year and one hour of registered professional nurse time per person, per year.

(I) Supervision of Medication Administration

Medications in ICF/MR 16s, including small scale residential facilities (4 and 6 bed) ICF/MR 16s, may be administered by unlicensed staff who have been trained and are supervised by registered professional nurses.

Reimbursement for the supervision of this medication administration will be provided as described below.

An amount will also be paid for supervision of medication administration. The amount to be reimbursed is based upon a 1:12 ratio of registered professional nurse time at \$19.44 per hour (including fringe benefits) to medication administration time. Medication administration time is based upon the number of medication episodes per day documented by each individual's Medication Administration Record (MAR) and the following:

Five Minute Episode - Simple medication preparation, individual self-medication training, administration, and documentation, e.g., up to four medications at one time consisting of oral medications, topical medication, ear drops, creams, and/or lotions.

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Medications in this category may be simple pill administration or may require the pill be crushed and mixed with an edible binder such as applesauce or pudding. This episode type also includes monitoring a person for "cheeking" or spitting out medication.

Ten Minute Episode - Advanced medication preparation, individual self-medication training, administration and documentation, e.g., glucose monitoring with set insulin injection, blood pressure and/or pulse checks required prior to medication administration, and/or five or more medications at one time.

Fifteen Minute Episode - Complex medication preparation, individual self-medication training, administration and documentation, e.g., glucose monitoring with sliding scale insulin injection, injectable medications, rectal anti-convulsant medications, e.g., Diastat with monitoring.

Example: The Facility's Medication Administration Record (MAR) information shows the individuals in the ICFDD/16 receive medications via a number of episodes of five-, ten-, and 15-minute duration each. This daily amount of time is totaled for all residents, annualized, converted to the total annual hours of medication administration by non-nursing staff for the facility. The grand total hours for all individuals in the facility was next calculated. This sum was then divided by 12 to reflect a 12:1 ratio of RN supervision of non-nurse medication administration. A wage factor of \$19.44 is multiplied times these hours to obtain the total annual RN supervision cost. This figure is divided by the number of residents to obtain the per person, per day medication administration RN supervision add-on rate. This amount is included in the Facility's total per diem. In the following example, all residents have the same type of medication episodes for 5 minutes each, 3 episodes per day, to simplify the presentation. In actual practice, the number of minutes and the number of times medication is taken per day would be calculated for each person and then summed for all individuals before proceeding to determine the total minutes per year (multiplication times 365).

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==01/00	16	<u>individuals each having</u>
	x 3	<u>medication episodes per day of</u>
	x 5	<u>minutes per episode</u>
	240	<u>minutes per day</u>
	x 365	<u>days per year</u>
	87,600	<u>minutes per year</u>
	÷ 60	<u>minutes per hour</u>
	1,460	<u>annual hours of non-nurse medication administration</u>
	÷ 12	<u>the RN supervision to non-nurse ratio</u>
	121.67	<u>total annual hours of RN supervision</u>
	x \$19.44	<u>hourly RN wage factor</u>
	\$2,365.26	<u>total annual reimbursement for all residents</u>
	÷ 16	<u>residents</u>
	÷ 365	<u>days</u>
	\$ 0.41	<u>per person, per day medication administration RN supervision add-on rate</u>

==01/00 Total Program Per Diem - Total program per diem for ICF/MRs will be the sum of the amounts from Minimum Staffing, Active Treatment, Specialized Care and the Related Costs and for ICF/MR 16s (including small scale residential facilities (4 and 6 bed) ICF/MR 16s), the total program per diem shall also include Base Nursing and Supervision of Medication Administration.

## 5. Campus Facilities

- a. A "campus facility" is defined as an entity which consists of a long term care facility (or group of facilities if the facilities are on the same contiguous parcel of real estate) which meets all of the following criteria as of May 1, 1987:
  - i. The entity provides care for both children and adults.
  - ii. Residents of the entity reside in three or more separate buildings with congregate and small group living arrangements on a single campus.
  - iii. The entity provides three or more separate licensed levels of care on the same campus. One of these licensed levels of care must be ICF/MR. The facility must also be licensed as a child care institution by the Department of Children and Family Services.

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- b. The payment methodology shall take into account the actual allowable costs to the facility of providing services to the residents, and shall be adequate to reimburse the allowable costs of a campus facility which is economically and efficiently operated. Allowable costs will be determined under the same guidelines as used for other types of facilities providing services for ICF/MR residents.
- c. The campus facility reimbursement rate will be determined using the following steps:

- ==01/00
  - i. Determine the total allowable cost for all residential campus services. Costs for day training, education, and day care services shall not be included in the calculation of the campus facility rate.
- 04/98
  - ii. Obtain the per diem cost by dividing the total allowable cost by the adjusted patient days. The adjusted patient days will be determined in accordance with subsection III.B.3.
- 04/98
  - iii. The operating costs are adjusted for inflation. The inflation factors will be determined in accordance with the provisions of subsection III.C.1.. The inflated per diem operating costs are added to the per diem capital costs to obtain the updated total per diem cost.
- 09/93
  - iv. The updated total per diem cost is compared to the ceiling. Beginning July 1, 1991 and ending August 31, 1993, the prior year rate will be multiplied by .15 and added to the lower of the above two amounts to result in the prospective payment rate. For the period September 1, 1993, through October 12, 1993, the prior year rate will be multiplied by .06 and added to the lower of the above two amounts to result in the prospective payment rate. Beginning October 13, 1993, the prior year rate will revert back to the previously referenced calculation.
  - v. The ceiling will be determined at 115% of the average rate being paid to the Specialized Living Centers for ICF/MR residents.

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07/96 6. Reimbursement of Nurse's Aide Training Costs

- a. Nursing homes will be reimbursed for the reasonable costs of nurses' aide training, provided that the costs are actually incurred, including:
  - i. tuition, up to the prevailing community college rate in the geographic area for a six credit hour course;
  - ii. instructional materials, up to \$25.00; and
  - iii. salary and fringe benefits, up to the prevailing entry level or the geographic area.
- b. Hours of training to be reimbursed are as follows:
  - i. Through June 30, 1981, courses approved prior to July 1, 1980, will be reimbursed for the total number of hours approved.
  - ii. Through June 30, 1981, courses approved on or after July 1, 1980, will be reimbursed for actual approved hours up to a maximum of 130 hours.

7. Capital Rate Component Determination

- 04/98 a. Capital rates for all long term care facilities--except State Institutions, ICF/MR facilities with four and six beds and Specialized Living Centers, shall be reimbursed in the manner described in this Section. Capital rates for Specialized Living Centers are set forth in subsection III.C.7.k. Capital rates for ICF/MR facilities with four or six beds are set forth in subsection III.C.7.m.
- 04/98 b. The terms used in this Section are defined as follows:
  - 04/98 i. "Arm's length transaction" means a transaction between a buyer and a seller both free to act, each seeking his own best economic interest. A transaction between related parties as defined in subsection II.C. is not considered to be an arm's length transaction.
  - ii. "Base Year" refers to the weighted average year of investment in the actual construction of the building. The Base Year is determined using the components of the building cost, which are included in the Original Building Base Cost, and the corresponding year of acquisition or construction. The year of each component of the total investment is multiplied by the cost of each year's investment.

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The sum of these products is then divided by the total Original Building Base Cost to yield an average year of construction. Any fractional portion of the Base Year derived from this calculation will be truncated. The Base Year will not change due to sale or lease of the building subsequent to January 1, 1978.

- 07/91      iii. "Capital Days" are used to convert all capital items to per diem amounts unless otherwise specified. If a facility's occupancy rate is above 93%, then capital days shall be equal to the actual patient days. If occupancy is below 93%, then 93% of available bed days (the number of licensed beds multiplied by the number of calendar days in a period) shall be the capital days.
- 07/91      iv. "Original Building Base Cost" means either the cost of construction or the cost of the latest purchase of the building in an arm's length transaction prior to January 1, 1978. The allowable cost of subsequent improvements to the building will be included in the original building base cost. The original building base cost will not change due to sales or leases of the facility after January 1, 1978. In the case of a nursing home building constructed after January 1, 1978, the allowable construction cost plus the cost of subsequent improvements will be the original building base cost.
- 12/95      v. "Means Construction Index" means the index of changes in construction costs from year-to-year developed from the annual publication Means Building Construction cost data as published by R.S. Means Company, Inc.
- 07/91      vi. "Rate of Return" will be 11.0% for base years which are 1979 and later and 9.13% for base years which are 1978 and earlier.
- 07/91      vii. "Means New Construction Cost Per Square Foot" is defined as the costs published by the R.S. Means Company, Inc. Data will come from the most recent edition of the Means Square Foot Costs publication. The cost used per square foot for new construction is based upon nursing home construction projections using 40,000 square foot category with face brick with concrete block back-up and steel joints. The Means New Construction Cost Per Square Foot will be adjusted where necessary to ensure an increase of at least a three percent increase from the previous year but no more than a seven percent increase.

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07/91 viii. "Square Feet Per Bed" is defined as 316 square feet per bed. This was the average for existing long term care facilities in Illinois.

07/96 ix. "Location". The long term care facilities will be separated into one of the following areas:

Northeast area - geographic areas 6, 7, 8, 9

Downstate area - geographic areas 1, 2, 3, 4, 5, 10

07/91 x. "Uniform Building Value" is calculated using the following steps:

(A) The Means New Construction Cost Per Square Foot is multiplied by 316 square feet per bed to obtain a preliminary cost per bed. For example, \$68.65 cost per square foot times 316 equals a \$21,693 preliminary cost per bed.

(B) The preliminary cost per bed is multiplied by an adjustment factor to obtain the revised cost per bed for new construction. The adjustment factor is 1.30 for the northeast area and 1.19 for the downstate area. For example, a \$21,693 preliminary cost per bed times the 1.30 factor equals a \$28,200 revised cost per bed for the northeast area.

(C) The revised cost per bed for new construction will be the uniform building value for any facility for which the base year is the same as the current year. The current year is the calendar year in which the rate year starts. The uniform building value for facilities with a base year which is older than the current year will have the revised cost per bed for new construction discounted by a 3% obsolescence factor for each year between the base year and the current year. The uniform building value will be no lower than ten percent of the revised cost per bed for new construction. For example:

<u>Base Year</u>	<u>Factor</u>	<u>Uniform Building Value</u>
1991	100%	\$28,200
1990	97%	\$27,354
1989	94%	\$26,508
1987	88%	\$25,662
1986	85%	\$24,816
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1975	52%	\$14,664
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1960	10%	\$ 2,820

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- 12/95 xi. "Building Specific Historical Cost Per Bed" is the inflated original building base cost divided by the number of licensed beds on the cost report used to calculate rates for the rate year. If licensed beds changed during the cost report period, the licensed beds on the last day of the cost reporting period will be used as the divisor. The original building base cost is inflated based upon the Means Construction Index and the base year.
- 07/91 c. The "ERVWC" factor relates to equipment, rent, vehicle and working capital cost. The ERVWC factor will be the greater of \$1.75 per diem or the amount from the following calculation based upon a sample of 50% or more of all long term care facilities:
- i. Working Capital: Allowable support costs, nursing or program costs and administrative costs will be updated for inflation and be divided by Capital Days and multiplied by 60 days to yield two months of Working Capital investment on a per diem basis.
  - ii. The per diem investment on equipment and vehicle will be added to the working capital investment on a per diem basis (the vehicle investment is limited to fifty cents per diem). This total investment is multiplied by 9.13%.
  - iii. The result of Step B is added to the per diem equipment rent cost to obtain a ERVWC base factor.
- d. Any items of fixed equipment which are no longer in use or are not providing significant value for inpatient long term care purposes must not be reported on the cost report fixed asset schedules for land, buildings, equipment and vehicle. For example, portions of a building not being used for nursing home operations must not be reported. Any assets which were removed from the cost report depreciation schedules prior to the 1986 cost report due to the asset being fully depreciated may not now be included in the building or equipment basis. Also, if a vehicle is used partially for personal purposes or purposes other than operation of the nursing home, then this portion of the cost must not be included in the vehicle cost section of the cost report.

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- 04/98 e. No asset may be included in the building or equipment basis unless complete documentation for the cost and year of purchase or construction is maintained. This data must be maintained to facilitate efficient audit reviews by representatives of DPA.
- 04/98 f. Determination and Rate Calculation of Blended Value
- i. The capital rate will be calculated through a blending of (A) the uniform building value and (B) the building specific historical cost per bed.
- ii. If the building specific historical cost per bed (B) is less than the uniform building value (A), the blended value will be the result of addition of one-half the difference between (A) and (B) to (B) the building specific historical cost per bed.
- For example, if (B) is \$16,000 and (A) is \$20,000, the blended value will be \$18,000.
- iii. If the building specific historical cost per bed (B) is greater than the uniform building value (A), the blended value will be one-half of the difference between (A) and (B) added to the uniform building value. In this situation, the blended value will be limited to 120% of the uniform building value (A).
- For example, if (B) is \$28,000 and (A) is \$16,000, the blended value will be \$19,200.
- 04/98
- 07/91 iv. The blended value will be divided by 339 days (the 339 days is 365 days times a 93% occupancy standard).
- v. The per diem value will be multiplied by the rate of return to obtain a building rate factor.
- vi. The ERVWC factor will be added to the building rate factor to obtain the preliminary capital rate.
- 04/98 vii. The capital rate will be the greater of the preliminary capital rate from subsection iii. above or an implementation capital rate which is 115% of the FY'91 capital rate paid to the same licensed provider.

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